Navy Marine Corps Intranet

Briefing for Second Annual Naval-Industry R&D Partnership Conference

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PEO-IT Mission

- Acquire information technology systems and services that are broadly used in support of the Navy and Marine Corps warfighters and supporting elements.
- Develop overarching business, acquisition and contracting strategies that promote interoperability, lowest total operating cost, information assurance risk identification and management and meaningful performance metrics.

Effectiveness of the PEO is measured by faster, better decisions

Navy Marine Corps Intranet

- NMCI Services
  - Facilitates faster, better decisions by Navy and Marine Corps service members and civilians by providing secure information access anywhere, anytime at the lowest total operating cost per unit of service.
  - Re-purpose network as a Navy-wide asset provided as a service consolidation, and supporting budgets for implementation

NMCI Contracting Approach

- Five year Firm Fixed Price FAR Part 12 contract with three year option
- Contract incentives
  - Initial Operational Capability
  - Small business participation
  - Information Assurance
  - User satisfaction
- Offerors required to bid to standard set of industry "best practice" measures
- Offerors encouraged to bid alternate "Best Value" measures

Long-term service agreement with the commercial sector based upon industry best practices

NMCI Progress

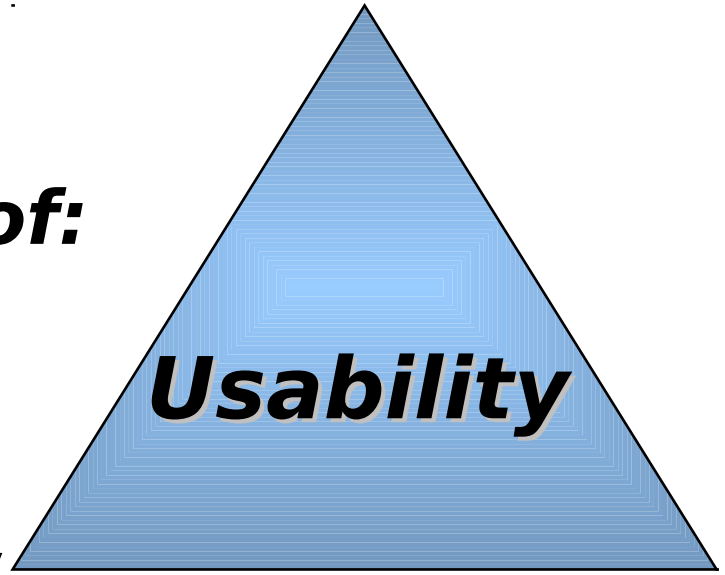
- Contract award – 6 October 2000
- EDS Assumption of Responsibility (AOR) began Jan 2001. Over 40,000 seats in transition.
- Small business participation – over 80%, incentive awarded
- 239 IT positions eliminated without a RIF
- Facilities
  - T&E site infrastructure upgrades complete
  - San Diego and Norfolk Network Operations Centers are complete. Testing is in progress.
- Legacy Applications scope and rationalizations processes defined. 35,000 applications identified. 40% reduction.
- Two Lessons Learned Conferences held.

NMCI Contract Language - Technology Insertion -

- The Contractor shall provide on an annual basis its plan for technology refresh and fielding. At a minimum, the Contractor shall provide the following information annually:
  - A description of the difference between the existing technology and the proposed change, and the comparative advantages and disadvantages of each;
  - Itemized requirements of the contract, which must be changed if the proposal is adopted, and the proposed revision to the contract for each change (to effect no increase in contract price);
  - An estimate of the changes in performance, if any, that will result from technology refresh;
  - An evaluation of the effects the proposed technology would have on collateral costs to the Government, such as Government-furnished property costs, costs of related items, and costs of maintenance, operation and conversion (including Government application software).

Technology Insertion

Commercial best practices balancing of:

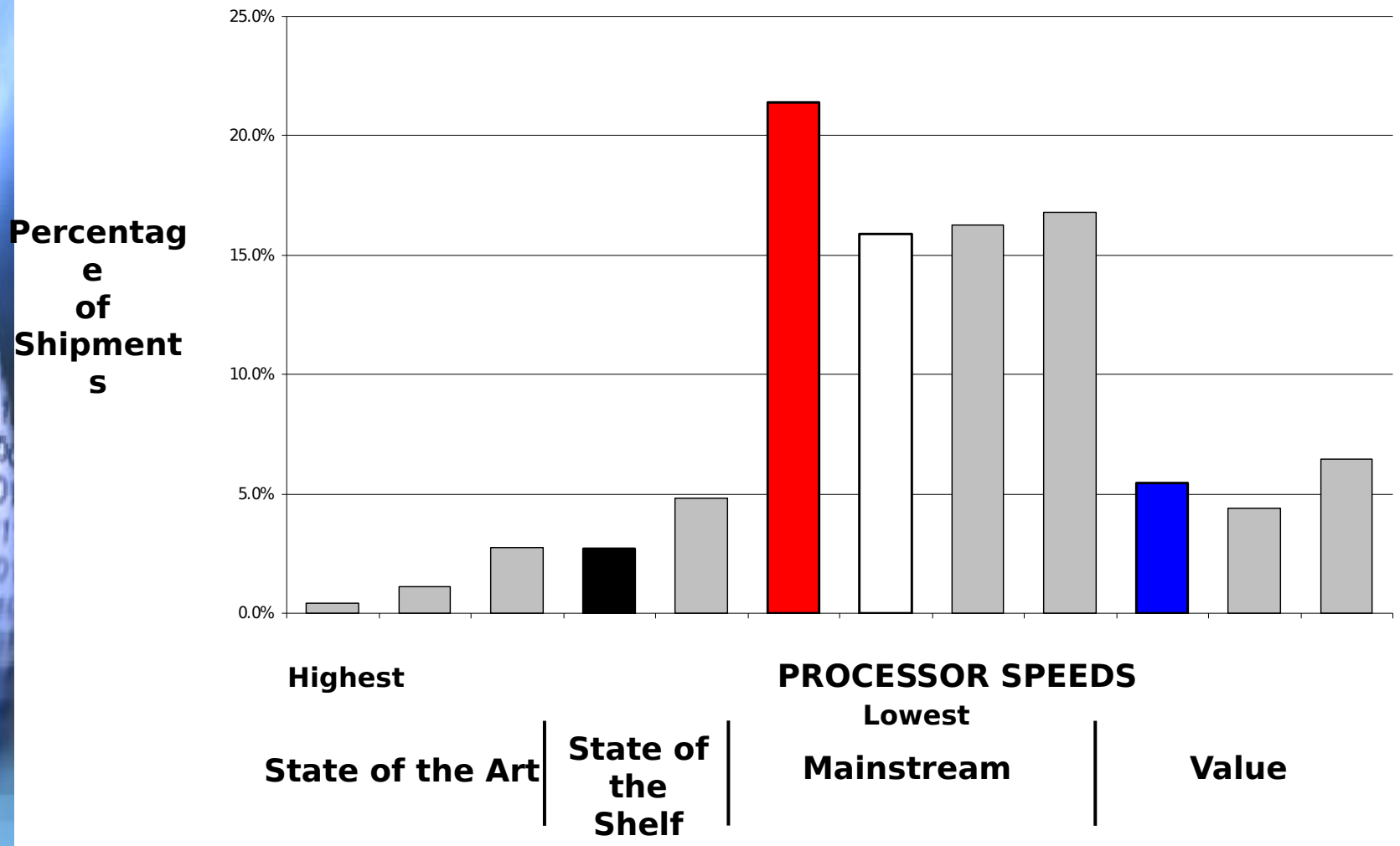


“State of the Art” is technically feasible

… “State of the Shelf” is technical

Processor Adoption Curve

Commercial best practice, balancing technology, stability & value, determines t



Methodology Benefits

- **Ensures The NMCI keeps pace with commercial best practice adoption of technology**
  - Dell delivers latest technology to the commercial market faster than any other Tier 1
  - Commercial best practice balances cost, stability & availability against performance gains
- **Objective, available measure**
  - Does not require interpretation, or entail subjective decisions
  - Based on 3yrs of historical procurement data.
- **Minimizes price volatility risk**
  - Transitions technology gains into the contract at a consistent value (price / performance)

NMCI Technology Insertion Metrics

KEY SYSTEM FEATURES

	Processor	Memory	Storage	Monitor
HIGH-END	Highest speed shipped in Opti line in volume (cum. vol. >10k units)	80th percentile shipped w/ Dell *performance* Opti systems		Same as RED seat
RED	80th percentile of ALL Opti systems	80th percentile shipped w/ Dell *mainstream* Opti systems		
WHITE	Next best performance level below RED seat			
	Processor speed	Memory quantity (typically one-half)	Disc quantity (same drive speed if avail.)	Same as RED seat
BLUE	80th percentile of ALL Opti INTEL value chipset systems	80th percentile shipped w/ Dell *value* Opti systems (not exceeding WHITE seat performance)		Same as RED seat

Recommendations

- Don’t buy COTS if you can buy it as a service
- Technology insertion should be backed by solid Return on Investment
- Maximize the use of COTS products in those areas where DoD is not the technology leader and it can be used without modification